

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **WEDNESDAY, JULY 1, 2009**, upon the application of **BEUSA ENERGY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir B**, in the North Grand Cane Field, DeSoto Parish, Louisiana.

1. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A.
2. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
3. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir B.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
5. To designate a unit operator of, and unit well for, each of the proposed additional units as may be appropriate.
6. To provide that for any horizontal well drilled within the proposed units for the Haynesville Zone, Reservoir A, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, the distance to any unit boundary or offset well will be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus of the well in the Haynesville Zone.
7. To expand the provisions of Office of Conservation Order No. 855-1, effective February 13, 2007, authorizing downhole combination of production from the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir B, with respect to previously created units for such formations which are identical to the proposed unit HA RA SUS, so as to include production from the Haynesville Zone, Reservoir A, in any well in which the interests in the units from which production is to be combined downhole are identical.
8. To permit Applicant to combine downhole production from the Haynesville Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and from the Hosston Formation, Reservoir B; or any combination thereof, in any well drilled on the proposed additional units for these intervals in which the ownership interests in the units from which production is to be combined downhole are identical.
9. To extend, except as in conflict herewith, the provisions of Order No. 855-E, effective July 29, 2008, to the proposed additional units for the Haynesville Zone, Reservoir A.
10. To extend, except as in conflict herewith, the provisions of Order No. 855-D, effective February 13, 2007, to the proposed additional units for the Cotton Valley Formation, Reservoir A.
11. To extend, except as in conflict herewith, the provisions of Order No. 855-C-1, effective February 13, 2007, to the proposed additional units for the Hosston Formation, Reservoir B.
12. To consider such other matters as may be pertinent.

The Haynesville Zone, Reservoir A was defined in Order No. 855-E, effective July 29, 2008.

The Cotton Valley Formation, Reservoir A was defined in Order No. 855-D, effective February 13, 2007.

The Hosston Formation was defined in Order No. 855-C, effective November 1, 1979.

Plats are available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm

All parties having interest therein shall take notice thereof.

BY ORDER OF:

**JAMES H. WELSH
COMMISSIONER OF CONSERVATION**

Baton Rouge, LA

5/14/09;5/19/09

S

lck

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.